

Amendment No. 2 to HB0779

Sargent
Signature of Sponsor

AMEND Senate Bill No. 749*

House Bill No. 779

by deleting all language after the enacting clause and substituting instead the following:

SECTION 1. Tennessee Code Annotated, Section 54-4-203, is amended by adding the following subsection:

(d)

(1) With respect to any streets or roads deannexed by a municipality on or after May 1, 1998, the municipality shall submit a map of the deannexed streets or roads to the commissioner of finance and administration within six (6) months of the effective date of this act. Within one (1) year of the submission, in order to equitably reflect those changes to the municipality's boundaries, the commissioner shall appropriately revise and reallocate any funding distributed to the municipality or county for improvement or maintenance of streets or roads.

(2) Prior to any reallocation of funds pursuant to subdivision (d)(1), a municipality may by a two-thirds (2/3) vote of its legislative body rescind the deannexation of the street or road; provided, however, such rescindment must be accomplished within six (6) months of the effective date of this act.

SECTION 2. Tennessee Code Annotated, Title 6, Chapter 51, Part 2, is amended by adding the following language as a new section:

No municipality shall, pursuant to § 6-51-201, deannex territory containing a street, highway, avenue, boulevard, publicly owned right-of-way, bridge, tunnel, public parking area, or any other public way dedicated to public use and maintained for general public travel without approval by a two-thirds (2/3) vote of the county legislative body.

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SECTION 3. Tennessee Code Annotated, Section 6-51-201, is amended by deleting the section in its entirety and by substituting instead the following:

(a) Any incorporated municipality, whether it was incorporated by general or special act, may contract its limits within any given territory; provided, that it is approved by a majority of the registered voters in an election held in accordance with § 6-51-202.

(b)

(1) Ten percent (10%) of the registered voters who reside in a territory previously annexed by ordinance upon the initiative of the municipality that became operative or effective on or after May 1, 1998, may petition the county election commission to hold an election to deannex such residential territory. The petition shall include a copy of the ordinance, which includes the map of the plat seeking deannexation. The map shall be the same map the municipality used to annex the residential territory. No additions or deletions from the original map used by the municipality are permitted; provided, however, prior to the election, any commercial or industrial properties located within the territory may be excluded from the proposed deannexation by resolution of the municipal legislative body.

(2) In order to be considered at the next scheduled citywide or countywide election, primary, or referendum, a petition for deannexation pursuant to subdivision (b)(1) must be filed with the county election commission not less than seventy-five (75) days before such election, primary, or referendum. Upon

receipt of the petition, the county election commission shall notify the municipality and hold an election to coincide with the next citywide or countywide election, primary, or referendum that is scheduled not less than seventy-five (75) days after the petition for deannexation is filed with the county election commission. The municipality shall determine the debt amount pursuant to § 6-51-204(a) not less than thirty (30) days prior to the election. The county election commission shall hold an election only for the registered voters residing within the plat set forth in the map submitted to the county election commission pursuant to subdivision (b)(1). The county election commission shall submit to the voters the question of "For Deannexation" or "Against Deannexation". If a majority of voters approve the deannexation, the deannexation of the territory shall become operative thirty (30) days after the date that the county election commission makes its official canvass of the election returns, and the territory shall not be subject to annexation by the municipality. If a majority of the voters fail to approve the deannexation, then the county election commission shall file the certificate of the result with the county clerk, and no further election may be held for the territory pursuant to this subsection (b).

(3) The general assembly finds the citizens in the following affected cities have experienced the most egregious forms of annexation and have no other reasonable course to redress their grievance other than to petition for a vote. Therefore, this subsection (b) applies only to cities with a population according to the 2010 federal census or any subsequent census of:

(A) Not less than one thousand one hundred ninety (1,190) nor more than one thousand one hundred ninety-nine (1,199) that is located inside a county having a population of not less than thirty thousand six hundred (30,600) nor more than thirty thousand seven hundred (30,700);

(B) Not less than forty-eight thousand (48,000) nor more than forty-eight thousand five hundred (48,500) that is situated in two (2) or more counties;

(C) Not less than sixty-three thousand one hundred (63,100) nor more than sixty-three thousand two hundred (63,200) that is situated in two (2) or more counties;

(D) Not less than one hundred sixty-seven thousand five hundred (167,500) nor more than one hundred sixty-eight thousand (168,000) that is located inside a county having a population of not less than three hundred thirty-six thousand four hundred (336,400) nor more than three hundred thirty-six thousand five hundred (336,500);

(E) Not less than one hundred seventy-eight thousand five hundred (178,500) nor more than one hundred seventy-nine thousand (179,000) that is located inside a county having a population of not less than four hundred thirty-two thousand two hundred (432,200) nor more than four hundred thirty-two thousand three hundred (432,300); and

(F) Not less than six hundred forty thousand (640,000) that is located inside a county having a population of not less than nine hundred thousand (900,000).

(4) This subsection (b) is repealed on July 1, 2019.

SECTION 4. Tennessee Code Annotated, Section 6-51-202, is amended by deleting the section in its entirety and substituting instead:

The election provided for in § 6-51-201 shall be held under the provisions of a resolution to be passed for that purpose. A full report of the election shall be spread upon the minutes of the board, if a majority of the voters assent to the contraction, and shall fully set forth the metes and bounds of the territory to be excluded.

SECTION 5. Tennessee Code Annotated, Section 6-51-204(a), is amended by deleting the subsection and substituting instead:

(a)

(1) Except for responsibility for general obligation debt issued during the annexed period, all municipal jurisdiction shall cease over the territory excluded from the municipality's corporate limits on the date of certification of the results of the election. The municipality may continue to levy and collect taxes on property in the excluded territory to pay the excluded territory's proportion of general obligation debt issued during the annexed period.

(2) For purposes of this subsection (a):

(A) "Annexed period" is the period beginning on the first date of annexation of any portion of the proposed territory for deannexation and ending on the date of certification of election results that favor the surrender of the territory;

(B) "General obligation debt" means the bonds and capital obligations that are directly secured by the municipality's unlimited taxing power, excluding indirect general obligation guarantees, and issued during the annexed period, as represented in the municipality's comprehensive annual financial reports. "General obligation debt" does not include any refinancing or refunding of debt issued prior to the annexed period; and

(C) "Proportion" means the percentage of the municipality's tax base that the excluded territory represents at the time of deannexation.

SECTION 6. Tennessee Code Annotated, Section 6-51-104(d), is amended by deleting the subsection and substituting instead the following:

(d)

(1) A municipality may by resolution propose annexation of territory that does not adjoin the boundary of the main part of the municipality, without extending the corporate limits of that territory, if the territory proposed for annexation is entirely contained within the municipality's urban growth boundary and is either:

(A) Utilized for industrial or commercial purpose or residential development; or

(B) Owned by one (1) or more governmental entities.

(2) A resolution under this subsection (d) shall be ratified only with the written consent of the property owner or owners.

(3) For purposes of this subsection (d), the boundary of the main part of the municipality is defined as the corporate limits of the territory containing its town seat or city hall. Territory that does not adjoin that boundary before a proposal to annex it is introduced cannot be annexed except as provided in this subsection (d).

(4) The resolution shall include the plan of services adopted under § 6-51-102. The plan shall be prepared by the municipality in cooperation with the county in which the territory is located. The municipality and county shall enter into an interlocal agreement pursuant to § 5-1-113 to provide emergency services for any interceding properties and to maintain roads and bridges comprising the primary route to the area thus annexed as the municipality and county deem necessary.

SECTION 7. If any provision of this act or its application to any person or circumstance is held invalid, then all provisions and applications of this act shall be invalid and void.

SECTION 8. This act shall take effect upon becoming a law, the public welfare requiring it.